

Message Text

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ACTION AID-31

INFO OCT-01 AF-08 ISO-00 EB-08 IGA-02 OPIC-03 TRSE-00

OMB-01 AGRE-00 XMB-02 /056 W

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FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASHDC 7186

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E.O. 11652: N/A (DECONTROL 31 MARCH 1979)

TAGS: BENC, EAID, BGEN, MR

SUBJECT: LANG/PRITCHARD SUGAR REFINERY PROJECT

REF: NOUAKCHOTT 574

1. AFTER FOUR WEEKS OF PROTRACTED AND SOMETIMES UNPLEASANT DISCUSSION/NEGOTIATIONS, GIRM MINISTER INDUSTRIALIZATION AND L/P SITE CONSTRUCTION CHIEF TATE MARCH 26 SIGNED (A) CERTIFICATE MECHANICAL COMPLETION AND (B) AMENDMENT TO CONTRACT REDEFINING "MECHANICAL COMPLETION" AND "START-UP" AND SORTING OUT THE LOGICAL AND TECHNICAL JUMBLE OF THE ORIGINAL CONTRACT PROVISIONS. MINISTER IN ADDITION SIGNED OUT TELEX INSTRUCTIONS TO NEW YORK BANK TO DISBURSE FIRST HALF OF RETAINED PERFORMANCE GUARANTEE (APPROXIMATELY DOLLARS 1.3 MILLION) LINKED TO MECHANICAL COMPLETION AND ALL OUTSTANDING L/P WORK PERFORMED INVOICES. SIGNED MECHANICAL COMPLETION CERTIFICATE AND RELATED DOCUMENTS WERE HANDCARRIED TO KANSAS CITY OVER WEEKEND BY L/P COURIER.

2. THUS PERILS OF PAULINE SEQUENCE WHICH BEGAN LATE NOVEMBER AND CAME TO CRUNCH MID-MARCH AND WHICH EVENTUALLY INVOLVED MINISTER STATE SIDI 'ABDALLAHI AND U.S. AMBASSADOR AS VIRTUALLY FULL-TIME COUNSELOR TO BOTH SIDES CAME TO SUCCESSFUL CONCLUSION WITNESSED BY GIRM PRESS AND RADIO.

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RAJEL IS STILL SMARTING FROM DIRECT ORDERS ISSUED BY SIDI TO KEEP HIS EYE ON BASIC OBJECTIVE--PRODUCE SUGAR SOONEST--AND FORGET TECHNICALITIES OF A BAD CONTRACT. RAJEL RATIONALIZES HIS CONVICTION THAT VIOLENCE WAS DONE TO MORALLY SACRED TERMS OF CONTRACT BY EQUALLY STRONG CONVICTION THAT QUALITY OF WORKMANSHIP IN L/P REFINERY IS ABSOLUTELY FIRST-RATE.

3. HEAD OF L/P START-UP TEAM IS SCHEDULED TO ARRIVE IN NEXT FIVE TO SIX DAYS. PRITCHARD PRESIDENT (SIC) OLIPHANT IS DUE IN BY WEEKEND TO ENERGIZE AND PUSH START-UP EFFORT. IN COMMENT TO AMBASSADOR SATURDAY, RAJEL REVEALED HE IS FINALLY COMING TO UNDERSTAND THAT DATE OF ACTUAL PRODUCTION DEPENDS AS MUCH ON SOSUMA (GIRM SUGAR CORPORATION) AS ON L/P, AND THAT SOSUMA HAS HARDLY BEGUN TO MEET ITS RESPONSIBILITIES.

4. VIA ADMENDMENTS, L/P CONTRACTED TO PRODUCE CUMULATIVE TOTAL OF ONE TON OF MARKETABLE SUGAR BY JULY 15 AGAINST DOLLARS 150 THOUSDAND PENALTY. ORIGINAL CONTRACT PROVISIONS REQUIRING PRODUCTION OF STIPULATED QUANTITY OF SPECIFICATION SUGAR IN 24-HOUR PERIOD, VERIFIED BY IMPARTIAL OBSERVER, SIX MONTHS AFTER MECHANICAL COMPLETION PLUS COMPLETION OF EVERY LAST CONSTRUCTION TASK AGAINST SECOND HALF RETAINED PERFORMANCE GUARANTEE STILL STAND. NEXT CRUNCH WILL COME IN ROUGHLY 75 DAYS WHEN L/P WILL HIT ANOTHER CASH FLOW CRISIS UNLESS GIRM IN MEANWHILE HAS REVERSED ITSELF AND AGREED TO SUBSTITUTE BANK GUARANTEE FOR FINAL RETAINER AND HAS RELEASED FINAL DOLLARS 1.3 MILLION FOR EXPENDITURE ON PROJECT.

HANDYSIDE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 28-Mar-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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